

Dear Fellow Sangerville Residents:

As your representative to the HAD #4 Board of Directors, I thought I would update you on the 2017 hospital statistics and the status of talks with Eastern Maine Health Systems (EMHS). I have included some inserts from the most recent State Of The Hospital presentation by Marie Vienneau, President & CEO. It is important that you are well informed about this information. It may impact all of us in the “near” future on many levels. If you have any questions, please do not hesitate to contact me at any time.

Have a Happy and Healthy New Year,

Richard M. Cabot, MD
Vice Chair, HAD #4 Board of Directors; Sangerville

EMHS DISCUSSION

- ! Why talking to EMHS? To achieve our Mission.
- ! Mayo has been operating at a loss for the past several years.
- ! Mayo’s Board recognizes that in order to retain clinical services, we will need to find a partner with a larger organization for assistance in reducing other expenses.
- ! A larger partner will also enable us to continue to invest as we have been, as cash flows become tighter. (I.e. Infrastructure, Oncology, new equipment etc.).
- ! We are currently operating under an Interim agreement.
- ! Mayo’s Board has spent the last year working with EMHS and getting education from them about their organization.
- ! We are identifying areas we can collaborate to improve.
- ! A much closer working relationship would be created with CA Dean.
- ! Another agreement will be proposed to begin January 2018. This agreement will establish timelines for community education and further discussion during the coming year.

STATISTICS

| | 2017 | 2018 BUDGET |
|-------------------------|---------|-------------|
| Acute Admission | 1,045 | 1,055 |
| Swing Admissions | 111 | 100 |
| Deliveries | 100 | 97 |
| Average Daily Census | 12.5 | 11.7 |
| Surgical Cases | 1,250 | 1,284 |
| Radiology | 20,305 | 19,819 |
| Laboratory | 125,649 | 122,140 |
| Rehab Visits | 26,945 | 25,440 |
| ER Visits | 10,704 | 10,404 |
| Oncology Visits | 1,376 | 1,332 |
| RHC Visits | 40,145 | 39,997 |
| Specialty Office Visits | 10,343 | 9,293 |

FY2017 FINANCIAL RESULTS

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| Thru 9/30/17 pre-audit | 2017 Actual | 2017 Budget | Prior Year Actual |
|------------------------|---------------|---------------|-------------------|
| Gross Revenue | \$86,622,000 | \$88,001,000 | \$84,504,000 |
| Net Operating Revenue | \$50,223,000 | \$50,359,000 | \$49,056,000 |
| Operating Expenses | \$51,273,000 | \$51,374,000 | \$50,515,000 |
| Operating Margin | (\$1,050,000) | (\$1,014,000) | (\$1,460,000) |
| Bottom Line | \$ 426,000 | (\$ 904,000) | (\$ 417,000) |

Notes: Gross Revenue rebounded over the past four months to end 2017 1.6% under budget but 2.5% above 2016. Expenses were slightly under budget and 1.5% higher than 2016. While volumes have been higher recently, we remain in a relatively high risk environment for continued volume levels, provider staffing, wage pressures, and payment pressures.

Mission

To provide up to date, high quality, compassionate and affordable healthcare.

Vision

Mayo Regional Hospital will be the first choice for healthcare, partnering for healthier communities, one person at a time.

We Value

excellence

We will provide you with a high quality and positive patient experience that will exceed your expectations

compassion

Our staff will provide you and your family with a caring and supportive environment tailored to your individual needs.

integrity

We will provide the right care at the right time in a reliable way.

dignity

We will preserve your personal privacy and treat you and your family with integrity.